



# **Accounting Activity with Other Federal Agencies (Level 1 Activity)**

## **What to do with the IRAS reports**

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- The Intragovernmental Reconciliation Process
- Reconciliation Tools
- Reconciliation Steps
- The Material Difference/Status of Disposition Certification Report
- Reconciliation Requires Analysis
- Example of Progress Being Made



# Intragovernmental Reconciliation



## Process

- **DFAS submits “F” trial balances to Treasury**
- **Treasury inputs into Intragovernmental Reporting and Analysis System (IRAS)**
- **Treasury releases reports to use for intragovernmental review and reconciliation**
  - **Rpt 4a: Intragovernmental Closing Package Activity Summary Report**
  - **Rpt 4a1: Intragovernmental Closing Package Activity Detail Report**
  - **Rpt 4b-2: Intragovernmental Closing Package Reciprocal Category-Detail**
  - **Rpt 4b-2: Intragovernmental Closing Package Reciprocal Category-Summary**
  - **Rpt 5a: Fiduciary Qtr Data vs IRAS Comparison Report**
  - **Rpt 5c: Fiduciary Qtr Data vs IFCS Agency Benefits Report**
  - **Material Differences/Status of Disposition Certification Report**
  - **SPECIAL REPORT - Trading Partner Point of View**
- **CFO/DCFO required to sign and fax back Status of Disposition Certification Report to Treasury each quarter**

# Material Difference Reports signed by CFO/DCFO



MATERIAL DIFFERENCES REPORT: 1st Quarter FY 2005						Indicate by placing an 'x' and the amount (if applicable) in appropriate columns for reason of material difference from your agency's perspective. If all or a portion of agency's reporting cannot be substantiated, complete item 5 - Unknown/Unreconciled					
Agency Code/Name:		AGENCY NAME									
Agency Contact/Ph/E-mail:		Barbara Hill; (703) 607-5119; barbara.hill@dfas.mil									
TP	RC	P_or_S <sup>1</sup>	Rptg_Agy	Trdg_Partner	Material_Diff	1-Confirm Rptg (X)	2-Acctg Method Diff (X) List Below <sup>2</sup>	3- Acctg/Rptg Error <sup>3</sup>	4-Timing Difference- CY <sup>4</sup>	5- Unknown/U nreconciled	6-Timing Difference- PY <sup>4</sup>
16	22	P	149,713,621	0	149,713,621			\$149.7M			
20	23	P	586,600,445	48,228	586,552,217			\$316.9M		\$269.7M	
20	24	P	(213,919,276)	9,503,037	223,422,313	\$121.8M		\$101.6M			
47	22	P	72,484,766	249,501,574	177,016,808	X					
47	24	P	858,174,116	398,863,593	459,310,523	X					
49	22	S	21,161,122	4,210,941	16,950,181	X					
49	24	S	23,403,509	1,322,983	22,080,526	X					
<sup>1</sup> P=Primary, S=Secondary						<sup>3</sup> Identify the amounts of accounting error attributable to reporting age					
						<sup>4</sup> CY=Current Year; PY=Prior Year.					
TP	RC	<sup>2</sup> Basis of Accounting Methodology Used by the Agency (Material Difference #2, Above)									
<b>Certification</b> I have reviewed the Material Differences Report generated by FMS IRAS from intragovernmental data submitted by our agency and associated trading partner(s). The data provided by this agency is consistent with its supporting records and is derivative of unaudited financial statement data submitted to OMB, as indicated from the disposition of material differences by: 'X' in the 1-confirm reporting column, 2-accounting method difference column or 3-accounting/reporting error, or 4-current year timing difference, or 5-unknown/unreconciled, or 6-prior year timing difference. In the event of accounting/reporting error(s), the agency is expected to correct reporting in a subsequent period, and account for/report timing difference activity.											
Chief Financial Officer or Designee						Date					

# Rpt 4a: Intragovernmental Closing Pkg Activity Summary Report



## • Intragovernmental Reporting and Analysis System, FMS

• Report No. 4a. Current Date: 2/10/2005 THIS REPORT CAN HIGHLIGHT WHICH PARTNER HAS THE LARGEST VARIANCE

### • Reporting Agency:-->

### • ALL Reciprocal Category Differences Included

		Reporting Agency		Trading Partner Difference		Pct.
		Summary Totals		Summary Totals		
• 11	Office of Administration	\$1,513,898	\$0	<b>\$1,513,898</b>	<b>NA</b>	
• 12	Department of Agriculture	\$1,212,358	\$456,366	<b>\$755,992</b>	<b>62.4%</b>	
• 13	Department of Commerce	\$23,901,430	\$17,726,658	<b>\$6,174,772</b>	<b>25.8%</b>	
• 14	Department of Interior	\$213,060,600	\$171,894,626	<b>\$41,165,974</b>	<b>19.3%</b>	
• 15	Department of Justice	\$29,718,947	\$20,990,202	<b>\$8,728,745</b>	<b>29.4%</b>	
• 16	Department of Labor	\$547,630,440	\$397,236,797	<b>\$150,393,643</b>	<b>27.5%</b>	
• 17	Department of the Navy	(\$477,186,175)	(\$477,186,175)	<b>\$0</b>	<b>0.0%</b>	
• 18	U. S. Postal Service	\$128,671	\$0	<b>\$128,671</b>	<b>NA</b>	
• 19	Department of State	\$14,790,658	\$11,983,674	<b>\$2,806,984</b>	<b>19.0%</b>	
• 20	Department of the Treasury	\$581,061,130	\$57,884,863	<b>\$523,176,267</b>	<b>90.0%</b>	
• 21	Department of the Army	\$1,103,437,251		\$1,103,437,251		<b>\$0 0.0%</b>
• 24	Office of Personnel Management	\$416,310,701	\$448,461,994	<b>(\$32,151,293)</b>	<b>7.2%</b>	
• 27	Federal Communications Commission	\$1,044,852	\$48,474	<b>\$996,378</b>	<b>95.4%</b>	
• 28	Social Security Administration	\$36,516	\$2,138	<b>\$34,378</b>	<b>94.1%</b>	
• 31	U.S. Nuclear Regulatory Commission	\$329,317	\$210,362	<b>\$118,955</b>	<b>36.1%</b>	
• 33	Arts Agencies (ex. Smithsonian)	\$47,750	\$0	<b>\$47,750</b>	<b>NA</b>	
• 36	Department of Veterans Affairs	\$24,422,522	\$13,507,619	<b>\$10,914,904</b>	<b>44.7%</b>	
• 47	General Services Administration		\$931,438,206	\$651,011,925	<b>\$280,426,281</b>	<b>30.1%</b>
• 49	National Science Foundation		\$46,189,828	\$7,009,717	<b>\$39,180,111</b>	<b>84.8%</b>
• 56	CIA	\$678,404	\$0	<b>\$678,404</b>	<b>NA</b>	
• 64	Tennessee Valley	\$13,592,082	\$7,698,828	<b>\$5,893,254</b>	<b>43.4%</b>	
• 68	Environmental Protection Agency	\$5,359,297	\$9,719,788	<b>(\$4,360,490)</b>	<b>44.9%</b>	

# Rpt 4a1: Intragovernmental Closing Pkg Activity Detail Report



## Intragovernmental Reporting and Analysis System, FMS

THIS REPORT CAN HELP BREAK DOWN THE PARTICULAR RC WITHIN THE

PARTNER

2/10/2005

Report No. 4a-1.

ALL Reciprocal Category Differences Included

Trading Partner:

<b>11</b>	--	<b>Office of Administration</b>	
<b>Category</b>		<b>Agency</b>	<b>Partner</b>
23	\$142,557	\$0	<b>\$142,557</b>
24	\$1,371,341	\$0	<b>\$1,371,341</b>
-----			
<b>Totals:</b>	<b>\$1,513,898</b>	<b>\$0</b>	<b>\$1,513,898</b>

The TI11 is not a CFO reporting agency and will not have amounts. Those agencies will Difference not be addressed on the material differences report. This merely

Trading Partner:

<b>12</b>	--	<b>Department of Agriculture</b>	
<b>Category</b>		<b>Agency</b>	<b>Partner</b>
05	\$0	\$83	<b>(\$83)</b>
22	\$967,298	\$225,779	<b>\$741,519</b>
24	\$245,060	\$140,800	<b>\$104,260</b>
29	\$0	\$89,705	<b>(\$89,705)</b>
-----			
<b>Totals:</b>	<b>\$1,212,358</b>	<b>\$456,366</b>	<b>\$755,992</b>

The thing to remember is that the RC are total of all USSGL's included in that RC. Difference For example: RC22=2110+2120+2130+2190+2990+1310

Trading Partner:

<b>13</b>	--	<b>Department of Commerce</b>	
<b>Category</b>		<b>Agency</b>	<b>Partner</b>
22	\$5,453,641	\$4,139,183	<b>\$1,314,458</b>
23	\$11,032,729	\$10,817,231	<b>\$215,498</b>
24	\$7,415,060	\$1,709,134	<b>\$5,705,926</b>
29	\$0	\$1,061,110	<b>(\$1,061,110)</b>
-----			
<b>Totals:</b>	<b>\$23,901,430</b>	<b>\$17,726,658</b>	<b>\$6,174,772</b>

Remember that intragovernmental differences may be material to the partner and will Difference still need to be addressed by DoD.

The Advances area (which would affect the buy/sell) is probably another area that DoD needs to target for improvement. Although this particular report doesn't show too

a difference, we have others that are.

Trading Partner:

<b>14</b>	--	<b>Department of Interior</b>	
<b>Category</b>		<b>Agency</b>	<b>Partner</b>
22	\$3,133,539	\$677,881	<b>\$2,455,658</b>
23	\$122,472,830	\$122,435,605	<b>\$37,225</b>
24	\$87,454,232	\$48,781,140	<b>\$38,673,092</b>
-----			
<b>Totals:</b>	<b>\$213,060,600</b>	<b>\$171,894,626</b>	<b>\$41,165,974</b>

Difference

Review this report after you've looked at the material difference report

# Rpt 4b-2: Intragovtl Closing Pkg Reciprocal Category- Detail



- **Intragovernmental Reporting and Analysis System, FMS**  
DRIVING

FOR MORE ANALYSIS, WHICH PARTNER IS

- **2/10/2005** THE DIFFERENCE WITHIN THE RC

- Report No. 4b-2.

- ALL Reciprocal Category

- Differences Included

- **Reciprocal Category**

- **01 - Securities Issued by Federal Agencies Under General & Special Authority**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
20	Department of the Treasury		\$710,019	\$710,036	(\$17)	0.0%
<b>Totals:</b>	<b>\$710,019</b>	<b>\$710,036</b>	<b>(\$17)</b>	<b>0.0%</b>		

- **02 - Federal Interest Receivable/Federal Interest Payable**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
20	Department of the Treasury		\$4,769	\$4,769	\$0	0.0%
<b>Totals:</b>	<b>\$4,769</b>	<b>\$4,769</b>	<b>\$0</b>	<b>0.0%</b>		

- **03 - Interest Revenue & Expense, Gains & Losses on Federal Investments**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
20	Department of the Treasury		\$5,796	\$5,796	\$0	0.0%
<b>Totals:</b>	<b>\$5,796</b>	<b>\$5,796</b>	<b>\$0</b>	<b>0.0%</b>		

- **05 - Interest Revenue & Expense on Federal Borrowings and Other Interest Expense &**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
12	Department of Agriculture		\$0	\$83	(\$83)	100.0%
<b>Totals:</b>	<b>\$0</b>	<b>\$83</b>	<b>(\$83)</b>	<b>100.0%</b>		

- **18 - Financing Sources Transferred In/Out Without Reimbursement**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
15	Department of Justice	\$0	\$984	(\$984)	100.0%	
21	Department of the Army		\$27,397,460	\$27,397,460	\$0	0.0%
<b>Totals:</b>	<b>\$27,397,460</b>	<b>\$27,398,444</b>	<b>(\$984)</b>	<b>0.0%</b>		

- **21 - Employee Benefit Contributions Receivables and Payables**

<u>Trading Partner</u>	<u>Agency</u>	<u>Partner</u>	<u>Difference</u>			
16	Department of Labor	\$357,239,132		\$357,527,724	(\$288,592)	0.1%
24	Office of Personnel	\$70,898,614	\$70,898,614	\$0	0.0%	
<b>Totals:</b>	<b>\$428,137,746</b>	<b>\$428,426,338</b>	<b>(\$288,592)</b>	<b>0.1%</b>		

# Rpt 4b-2: Intragoverntl Closing Pkg Reciprocal Category- Summary



•	<b>Intragovernmental Reporting and Analysis System, FMS</b> THIS REPORT HELPS YOU SEE THE RC DIFFERENCES					
•	<b>2/10/2005</b> THIS INFO IS NEEDED TO COMPLETE REPT AT EOY					
•	<b>Report No. 4b-2.</b>					
•	<b>ALL Reciprocal Category</b>					
•	<b>Differences Included</b>					
•	<b>Reciprocal Category</b>					
•	<b>01</b>	<b>- Securities Issued by Federal Agencies Under General &amp; Special Authority</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$710,019</b>	<b>\$710,036 (\$17)</b>	<b>0.0%</b>		
•	<b>02</b>	<b>- Federal Interest Receivable/Federal Interest Payable</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$4,769</b>	<b>\$4,769 \$0</b>	<b>0.0%</b>		
•	<b>03</b>	<b>- Interest Revenue &amp; Expense, Gains &amp; Losses on Federal Investments</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$5,796</b>	<b>\$5,796 \$0</b>	<b>0.0%</b>		
•	<b>05</b>	<b>- Interest Revenue &amp; Expense on Federal Borrowings and Other Interest Expense &amp;</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$0</b>	<b>\$83 (\$83)</b>	<b>100.0%</b>		
•	<b>18</b>	<b>- Financing Sources Transferred In/Out Without Reimbursement</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$27,397,460</b>	<b>\$27,398,444 (\$984)</b>	<b>0.0%</b>		
•	<b>21</b>	<b>- Employee Benefit Contributions Receivables and Payables</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$428,137,746</b>	<b>\$428,426,338 (\$288,592)</b>	<b>0.1%</b>		
•	<b>22</b>	<b>- Accounts Receivable, Accounts Payable, and Other Liabilities</b>				
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$2,730,761,548</b>	<b>\$2,610,309,676 \$120,451,872</b>	<b>4.4%</b>		
•	<b>23</b>	<b>- Federal Advances/Federal Advances from Others and Federal</b>				
•	<b>Prepayments/Federal</b>					
•	<b>Agency</b>	<b>Partner</b>	<b>Difference</b>			
•	<b>Totals:</b>	<b>\$1,318,941,767</b>	<b>\$652,537,639 \$666,404,127</b>	<b>50.5%</b>		



# Rpt 5a: Fiduciary Qtr Data vs IRAS Comparison Report



## Intragovernmental Reporting and Analysis System

Latest 1st Qtr. FY05: Dated : 2/10/05, 7:34:35 AM

IFCS DoL/OPM: FY05, 1st Qtr.

Report No. 5c. Current Date: 2/10/2005

## **Fiduciary Quarterly Data vs. IFCS**

### **Agency Benefits Report**

#### **IRAS**

AGENCY: xx Department xxx

#### DIFFERENCES

<u>SGL</u>	<u>Agency</u>	<u>Agency</u>	<u>Agency</u>	<u>IFCS</u>	<u>Qtly. Data-IFCS</u>	<u>Pct. Diff.</u>
<u>Agency/Central Fid.</u>		<u>Quarterly Data</u>				

*Central Fiduciary:*

#### **DOL**

AGENCY: xx Department XXX

Payable / Receivable 3

2225F.16.: \$193,303,863

2225F.16.: \$193,303,863

2215F.16.: \$135,508,846

2215F.16.: \$137,478,265

**Total \$330,782,127 \$328,812,708 \$1,969,419 0.6%**

Expense / Revenue 4

6850F.16.: (\$111,117,010)

6850F.16.: (\$110,482,915)

6400F.16.: \$135,508,846

6400F.16.: \$149,822,061

**Total \$39,339,145 \$24,391,835 \$14,947,310 38.0%**

*Central Fiduciary:*

#### **OPM**

AGENCY: xx Department XXX

Payable / Receivable 1

2213F.24.: \$70,898,614

2213F.24.: \$70,898,614

**Total \$70,898,614 \$70,898,614 \$0 0.0%**

Expense / Revenue 2

6400F.24.: \$311,600,374

6400F.24.: \$311,600,374

**Total \$311,600,374 \$311,600,374 \$0 0.0%**

Ensure FECA & UI are properly recorded. Difference here is due to FECA & UI sharing USSGL 2215&6400, where only FECA is Fiduciary. This issue has been raised with Treasury.

# Rpt 5c: Fiduciary Qtr Data vs IFCS Agency Benefits Report



<ul style="list-style-type: none"> <li><b><u>Intragovernmental Reporting and Analysis</u></b> Latest 1st Qtr. FY05: Dated : 2/10/05,</li> <li>IFCS Funds: FY05, 1st Qtr.</li> <li>Report No. 5a. Current Date: 2/10/2005</li> <li><b>Fiduciary Quarterly Data vs. IFCS Comparison Report</b></li> <li><b>Report for Agency 57-Department of the Air Force</b></li> <li><b>Fiduciary Category</b></li> <li><b>BPD Investments</b></li> <li><b>Agency 57 Pct. Diff.</b></li> <li><b>57X8928 Quarterly Data IFCS Qtly. Data - IFCS</b></li> <li>57X8928 1340F.20 \$0 \$4,769 (\$4,769)</li> <li>57X8928 1610F.20 \$0 \$710,000 (\$710,000)</li> <li>57X8928 1611F.20 \$0 \$2,867 (\$2,867)</li> <li>57X8928 1612F.20 \$0 \$3,644 (\$3,644)</li> <li>57X8928 1613F.20 \$0 (\$757) \$757</li> <li>57X8928 5311F.20 \$0 \$5,796 (\$5,796)</li> <li>57X8928 7110F.20 \$0 \$0 \$0</li> <li>57X8928 7210F.20 \$0 \$0 \$0</li> <li><b>Total for Fund 100.0%</b></li> <li><b>Totals for Agency 57 \$0 \$726,318 (\$726,318) 100.0%</b></li> </ul>					<p>Ensure that amounts confirmed in IFCS are what is in your trial balance. What appears to be a reporting problem is a problem with the way Treasury tries to compare individual funds to a total SSGL ATB. This problem has been raised to Treasury.</p>
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# Part of a Trading Partner Point of View Report



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22

Buy-Sell Related Receivable/Payable

1310

1354145  
0

\$6,277,334

1362429  
5

\$18

1310  
Total

\$6,277,352

2110

1354146  
0

\$23,072

2110  
Total

\$23,072

22 Total

\$6,300,424

23

Buy-Sell Related Advances To/From

2310

1354145  
0

\$1,827,804

2310  
Total

\$1,827,804

23 Total

\$1,827,804

24

Buy-Sell Revenue/Expense

5100

1362429  
5

\$327

5100  
Total

\$327

5200

1354145  
0

\$6,693,521

1356100  
6

\$11,610

5200  
Total

\$6,705,131

2/16/2005

Integrity - Service

11 of 17

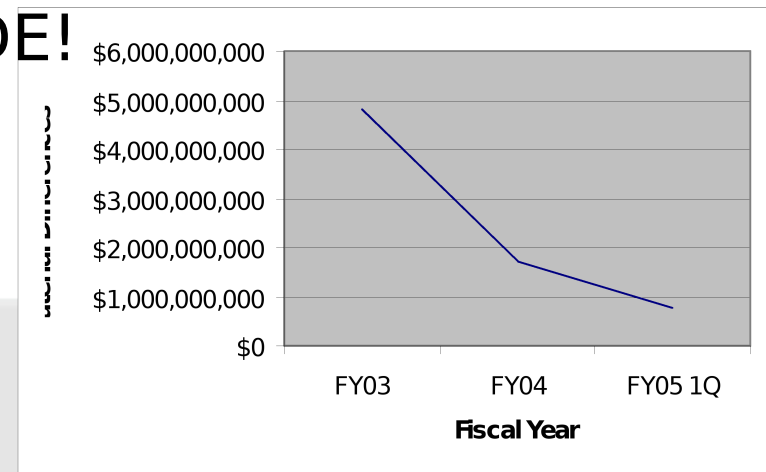
# Material Differences Report - A generic example



		FY05 1st Qtr	FY04 4th 10/18	FY03 4th	Difference Analysis - Action Info
RC	TP				
19 Approp Xfer in/out	11			\$466,000,000	no material diff for FY05//Problems Corrected FY04
28 Unexp App in/out	11			\$1,660,156,000	no material diff for FY05//Problems Corrected FY04
23 Advances in/out	14	\$158,145,105	\$202,481,486	\$382,315,212	Question of Interior reflecting Advances, OMB business rules
24 Buy/Sell	14	\$385,851,696		\$462,452,687	Could be affected by DoD direct expenses rather than advances
22 A/R vs A/P	20		\$134,213,115		no material diff for FY05
23 Advances in/out	20			\$949,270,018	no material diff for FY05
24 Buy/Sell	20		\$141,729,246		no material diff for FY05
26 Benefit rev/exp	24			\$165,362,566	no material diff for FY05
27 Transfer rec/pay	28			\$214,016,976	no material diff for FY05
24 Buy/Sell	47		\$970,291,287		no material diff for FY05
24 Buy/Sell	64	\$22,976,416			will correct error of \$22.7M in second quarter
22 A/R vs A/P	69		\$171,821,780		no material diff for FY05
24 Buy/Sell	80		\$82,660,807		no material diff for FY05
24 Buy/Sell	89	\$188,495,995		\$233,213,988	will correct error of \$178.4M in second quarter
24 Buy/Sell	97			\$275,513,211	no material diff for FY05
		\$755,469,212	\$1,703,197,722	\$4,808,300,658	

## PROGRESS CAN BE MADE!

The material differences continue to decrease. Difficulties still exist with Agencies who record Advances where DoD direct expenses.



- Guidance
  - I TFM 2-4700, Agency Reptg Reqmts for FR of US
  - Federal Intragovernmental Transactions Accounting Policy Guide
  - **<http://fms.treas.gov/irri/index.html>**
  - **<http://fms.treas.gov/usagl>** to review acctg transactions
- Reciprocal Categories List; appendix 7 of TFM
- Trading Partner Identifications; appendix 5 of TFM
- Intragovernmental Contact List
- Develop good communication with your trading partner
  - Continue to request accrual information in advance of close
  - Continue to request their seller side information by 8th

- Review the material differences report first
- Are there any reasons for the differences that you already know about (problem carried forward, etc)?
- Do the Trading Partner balances seem reasonable?  
Customers should know who they do business with and how much.
- Go to the Trading Partner Point of View for specific USSGL's reported by the Trading Partner. This is an extremely useful analysis tool.
- Contact the Trading Partner. Can you get supporting documentation for some of the larger discrepancies?
- Look at the Reciprocal Categories, are there some mismatched items caused by an incorrect USSGL usage?
- Review the Treasury USSGL Accounting Transactions to ensure correct entries were used.

# Complete the Material Differences/Status of Disposition Certification Report



- The template will come from Treasury
  - Trading Partner, Reciprocal Category, P or S, Rptg Agency Balance, Trdg Partner Balance, Material Difference
- There are 6 columns to address the material differences
  1. Confirm Rptg – Your balance is correct
  2. Acctg Method Diff & list the method in line below
  3. Acctg/Reptg Error – identify rptg agency error which will be corrected in a subsequent period and report for timing diff.
  4. Timing Difference – CY
  5. Unknown/Unreconciled – cannot be substantiated
  6. Timing Difference - PY

- Analyze, Analyze, Analyze
- Question: We don't do business with this Agency.....
  - Answer: Call them and ask for supporting detail for their amts.
- Question: This Agency shows transfers and I know we didn't have transfers with them....
  - Answer: First of all can you see anything in the TP POV report? In this case there was a 3102 with an identical amt to their 3103! Perhaps the agency made an error and incorrectly tried to correct it but instead of backing the entry out the way it went in, they used 3103 - which basically duplicates the error! Call the Trading Partner!
- Don't always assume DoD is wrong!
  - I have identified cash basis used by TP in error
  - There have been issues identified which required Congressional language to get it fixed.



